

**DATE:** May 22, 2008

**TO:** CVRC Board of Directors

**VIA:** David R. Garcia, Chief Executive Officer

**FROM:** Eric Crockett, Assistant Director of Redevelopment and Housing  
Maria Kachadoorian, Chief Financial Officer *amir for EOC*

**SUBJECT:** Agreement for Professional Consulting Services Related to the Gaylord Entertainment Project and Westside Revitalization Activities

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**SUMMARY:**

Staff is proposing the Redevelopment Agency enter into an agreement with Economic and Planning Systems for ongoing professional services on an as-needed basis for consultation on financing strategies and fiscal and economic consulting services related to new development within the Bayfront Master Plan area that includes the development proposal by Gaylord Entertainment for a hotel and convention center. Additionally, services for Economic and Planning Systems will include analysis of other development proposals throughout the Agency project areas.

**RECOMMENDATION:**

That the Chula Vista Redevelopment Corporation adopt:

Resolution of the Chula Vista Redevelopment Corporation recommending the approval of a contractual relationship with Economic and Planning Systems, Inc.

**DISCUSSION:**

On July 25, 2006, the City Council and Redevelopment Agency jointly approved a Letter of Intent ("LOI") between the City, Agency, San Diego Unified Port District, and Gaylord Entertainment Company establishing a framework and foundation for negotiations on the development of a major hotel, convention center, and retail space on the Chula Vista Bayfront. Since then, City staff has been working closely with Economic and Planning

Systems (EPS) to analyze and negotiate key deal points of the development proposal, as outlined in the LOI.

EPS has extensive experience in real estate development and has been instrumental in the City and Agency negotiations with the Gaylord Entertainment Company. To facilitate ongoing negotiations with Gaylord Entertainment, staff is seeking to enter into an agreement with EPS similar to the one that expired in December 2007. Staff is currently negotiating an agreement with EPS for a not-to-exceed amount of \$105,000. There are existing funds in the Redevelopment Agency budget and approval of the agreement would not require an additional appropriation of funds. The proposed EPS agreement would also allow EPS to continue to provide consultant support to the Agency to analyze the financial feasibility of development proposals in the City's redevelopment project areas.

#### **DECISION MAKER CONFLICTS**

Staff has reviewed the property holdings of the CVRC Members and has found a conflict exists for Directors Reyes and Salas, as they have property holdings within 500 feet of the boundaries of the Redevelopment Project Areas which are the source of funds for this action.

#### **FISCAL IMPACT:**

The total amount of the agreement for Economic and Planning Systems is \$105,000 (Bayfront/TCI \$65,000 and Merged \$40,000) using existing appropriations within the current year Agency budget.

**PREPARED BY:** Phillip Davis, Assistant Director of Finance

CVRC RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE CHULA VISTA  
REDEVELOPMENT CORPORATION  
RECOMMENDING APPROVAL OF A  
CONTRACTUAL RELATIONSHIP WITH ECONOMIC  
AND PLANNING SYSTEMS, INC.

WHEREAS, the Redevelopment Agency of the City of Chula Vista ("Agency") and Economic and Planning Systems, Inc. ("EPS") entered into an Agreement dated June 28, 2005 ("Original Agreement") where EPS agreed to provide independent economic advice in support of future dealings regarding economic and fiscal relationships among the City, the Agency, the San Diego Unified Port District ("Port"), prospective lessees of Port-controlled lands, and private owners of property within the Bayfront Master Plan area; and

WHEREAS, the City and EPS entered into the First Amendment to the Original Agreement dated January 10, 2006, where EPS agreed to develop a Fiscal Impact Model to analyze the fiscal impacts of new development within the Bayfront Master Plan area; and

WHEREAS, the Agency and the City are in negotiations with Gaylord Entertainment Company ("Gaylord") for the proposed development of a hotel and convention center in the Bayfront Redevelopment Project Area; and

WHEREAS, the Agency and EPS entered into a Second Amendment to the Original Agreement dated March 8, 2007, where EPS agreed to analyze the financial feasibility of the proposed Gaylord development using its Fiscal Impact Model, to conduct a peer review on the Economic Research Associates fiscal model and pro forma, and to analyze development proposals in the other Redevelopment project areas; and

WHEREAS, the Original Agreement, including the amendments, expired on December 31, 2007, and

WHEREAS, to further the negotiations with Gaylord, staff recommends that EPS again assist staff by analyzing the financial feasibility of the proposed Gaylord development using its Fiscal Impact Model.

WHEREAS, staff is currently negotiating an agreement between the Agency and EPS.

NOW THEREFORE, BE IT RESOLVED by the Chula Vista Redevelopment Corporation that it recommends the approval of a contractual relationship with Economic and Planning Systems, Inc.

Presented by:

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Maria Kachadoorian  
Director of Finance

Approved as to form by:

  
Ann Moore  
General Counsel

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